

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE X WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd. _____DATE FILED 11-18-85

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO. U-56555

INDIAN

DRILLING APPROVED: 11-26-85 - OIL (Exception Location)

SPUDDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION: 5124' gr.DATE ABANDONED: PA. Application Rescinded 12.9.86FIELD: WILDCAT

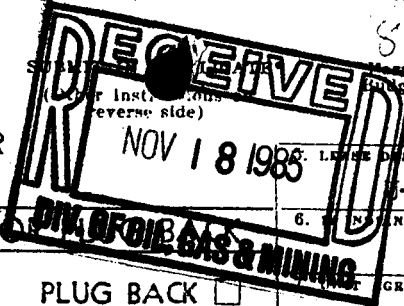
UNIT:

COUNTY: TOOELEWELL NO. LAB ENERGY 17-14API #43-045-30023LOCATION 747' FSLFT. FROM (N) (S) LINE. 1655' FWLFT. FROM (E) (W) LINE. SE SW1/4 - 1/4 SEC. 17

TWP	RGE	SEC	OPERATOR	TWP	RGE	SEC	OPERATOR
				<u>7S</u>	<u>4W</u>	<u>17</u>	<u>LAB ENERGY, INC</u>

OPERATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



56-APD-1
Bureau No. 4: E1425.
BUREAU OF LAND MANAGEMENT
DESIGNATION AND SERIAL NO.
5-56555
N. ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL, DEEPEN,

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER Wildcat ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Lab Energy, Inc.

3. ADDRESS OF OPERATOR
#10
7107 South, 400 West, Midvale, Utah 84047

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 747', F3L, 1655' FWL Sec. 17, T7S., R4W. SLM
At proposed prod. zone
same

5. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
Approximately 28 miles SW of Tooele, Utah

6. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest Grig. Unit lne, if any)
573' FNL

7. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

8. NO. OF ACRES IN LEASE
520

9. NO. OF ACRES ASSIGNED TO THIS WELL
Not spaced

10. PROPOSED DEPTH
2000'

11. ROTARY OR CABLE TOOL
Rotery

12. ELEVATIONS (Show whether DF, RT, GR, etc.)
5124 Gr.

13. APPROX. DATE WORK WILL START
Dec. 1985

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	150'	80 sacks or 100% excess
7 7/8"	5 1/2"	15.5#	1500'	100+ sacks

Drilling program will be as follows: 20 feet of 20" steel casing or culvert corrugated pipe will be set as a conductor pipe and cemented to surface.

150' of 12 1/2" hole will be drilled and 8 5/8" 24# casing will be run to total depth and cemented to the surface with 100% excess of class G cement. If hydrocarbons are discovered, 5 1/2", 15.5# casing will be run to total depth and cemented with 100+ sacks of class G cement

Expected formation tops are as follows:

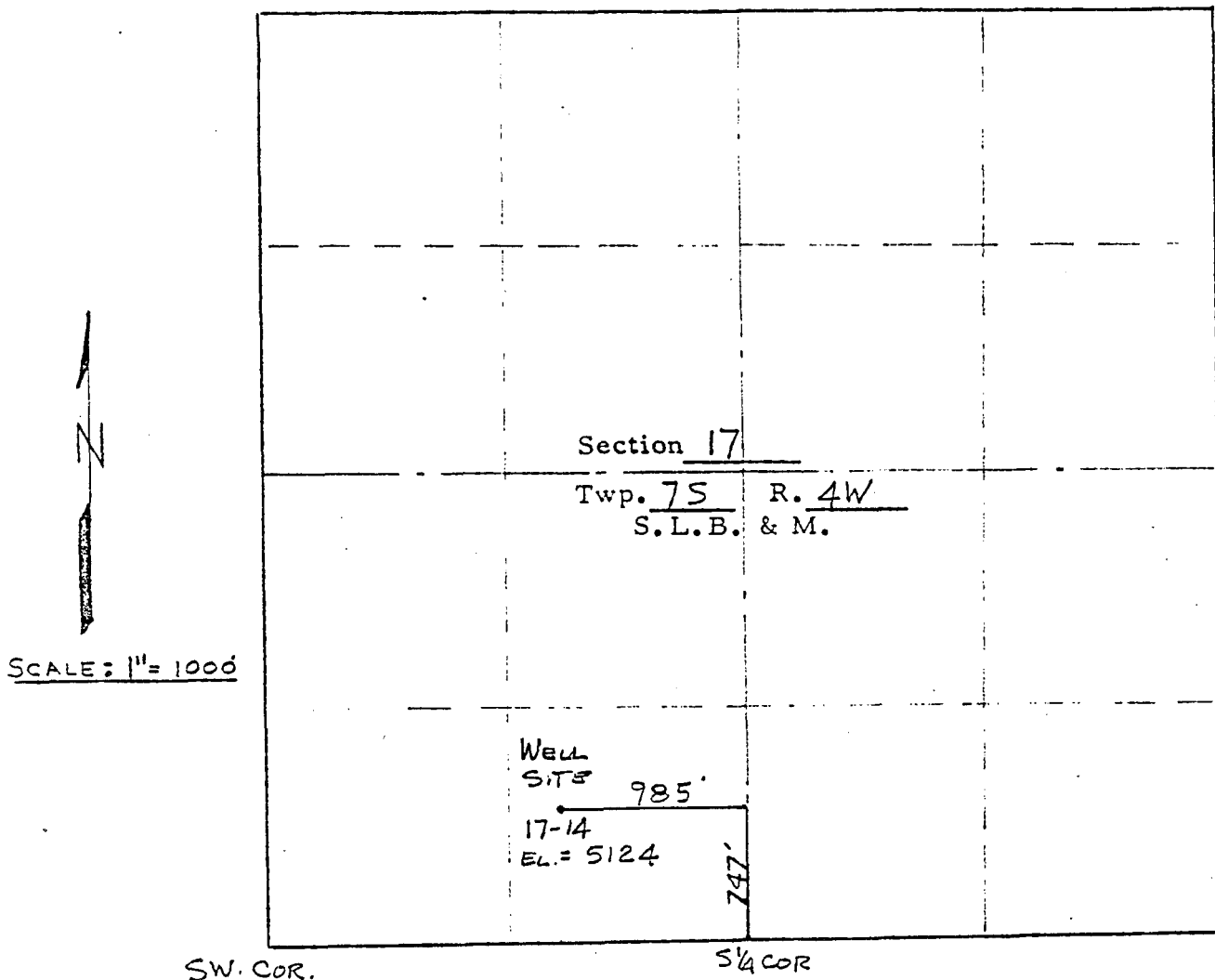
Holocene valley fill sediments at surface. Miocene? at TD

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED: Warren L. Jacobs Vice President
LAB Energy, Inc. DATE: 10/18/85

(This space for Federal or State office use)

PERMIT NO. 43-045-30023
APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 11/26/85
BY: John R. Bajer
WELL SPACING: 6.3(c)



SURVEYOR'S CERTIFICATE

I, Kay L. Ryan, of Ryan Engineering Inc., do hereby certify that I am a Registered Land Surveyor, and hold certificate No. 4385 as prescribed by the laws of the State of Utah, and have made a survey as shown on this plat of:

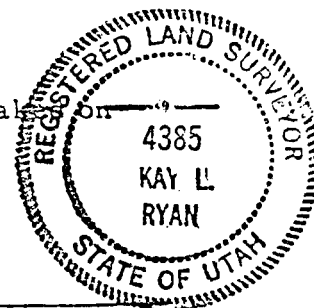
LAB Energy Inc., Rush Valley, Federal #17-14, located 747 ft. North and 985 ft. West from the South Quarter Corner, Section 17, Township 7 South, Range 4 West, Salt Lake Base & Meridian.

Ground line elevation: 5124 (approx.)

I further certify that the above plat shows the locations as shown on the ground.

Date 7-15-85

Kay L. Ryan



LAB ENERGY, INC.

10 Point Well Program

for

Well Location

Rush Valley Federal #17-14

Located In

Sec. 17, T7S, R4W, S.L.B. & M

Tooele County, Utah

Lab Energy, Inc.
Rush Valley Fed #17-14
SE, SW, Sec. 17, T7S, R4W
Tooele County, Utah

1. GEOLOGIC SURFACE FORMATION:
Holocene valley fill
2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:
Pliocene 1000' ?
3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:
Approximately 1500' in the Pliocene, Miocene Salt Lake Group.
4. PROPOSED CASING PROGRAM:
8 5/8", J-55, 24#; set at 150'
5 1/2", J-55, 15#; Set at TD
All casing will be new
5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:
The operators minimum specifications for control equipment are as follows: A 10" series Hydrill bag type BOP and a 10" double ram hydraulic unit with a closing unit will be utilized. Pressure tests of the BOPs to 1000# will be made prior to drilling surface plug and operations will be checked daily (see exhibit A)
6. TYPE AND CHARACTERISTICS OF PROPOSED CIRCULATION MUDS:
It is proposed that the hole be drilled with mud to and through the zone of interest.

mud system KCL water based gelchemical weighing at least 10.0 p.p.g. will be used.
7. AUXILIARY SAFETY EQUIPMENT TO BE USED:
Auxiliary safety equipment will be a Kelley cock, bit float and a T.I.W. valve with drill pipe threads.
8. TESTING, LOGGING AND CORING PROGRAMS:
No coring or drill stem testing has been scheduled for this well. Electric logging will consist of a DLL, CNL-FDC and a CBL log.
9. ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:
It is not anticipated that abnormal pressures or temperatures will be encountered; nor any other abnormal hazards such as H₂s gas will be encountered in this area.
10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:
It is anticipated that operations will commence approximately December 1, 1985.

Duration - drilling & testing 10 days

POOR COPY

7/3 wj

LAB ENERGY, INC.

13 Point Surface Use Plan

for

Well Location

Rush Valley Federal #17-14

Located in

Sec. 17, T7S, R4W, S.L.B. & M.

Tooele County, Utah

Lab Energy, Inc.
Rush Valley Fed. #17-14
S. 17, T7S. R4W.. S.L.B. & M.

1. EXISTING ROADS

See attached Topographic map "A"

To reach the LAB ENERGY, INC. well location site Rush Valley Federal #17-14, located in the SE/4, SW/4, Section 17, T7S, R4W.. S.L.B. & M. from Tooele, Utah;

Proceed South out of Tooele, Utah along Utah Highway 36 +/- 28 miles to the junction with an unimproved county road leading to the railroad town of Foust; proceed easterly along this road +/- 6 miles to the turn off to the location which will be clearly marked.

Utah highway 36 is a bituminous surface road from Tooele to the begining of the county road. This road is maintained by state road crews. The county road described above is a dirt road that was constructed out of the materials accumulated during construction. The county road is maintained by Tooele county road crews.

There is no anticipated construction on any other of the above described roads. They will meet the necessary standards to facilitate an orderly flow of traffic during the drilling, completion, and production phases of this well.

2. PLANNED ACCESS ROAD

See Topographic Map "B".

The planned access road leaves the existing road described in Item #1 in the SE/4, SW/4, Sec. 17, T7S., R4W. S.L.B & M and proceeds in a ~~North~~ easterly direction approximately 0.2 miles to the proposed location site. *along an existing Section road*

All construction, rehabilitation, and maintenance on these roads will meet the standards set forth in the surface operating standards for Oil & Gas Exploration & Development Manual.

If necessary, The proposed access road will be an 18' crown road (either side of the centerline) with drain ditches along either side of the proposed road where it is determined necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. Maximum width of total disturbed area will not exceed 30'. The road will be gravelled if necessary. *turn track* *W2*

Back slopes along the cut areas of the road will be 1 1/2 to 1 slopes and terraced.

There are no fences encountered along this proposed road. There will be no new gates or cattleguards required.

All operators, subcontractors, vendors and their employees or agents will be confined to established roads and well sites.

There should be no additional fill materials required along this road. Water to be used during the construction of the road and drill pad and the drilling of the well will be purchased from irrigation rights in the near by area.

All artifacts found on the drill site shall be left in place and the ~~M.M.S.~~ promptly notified.

^{BLM}
All trash, litter, construction materials, etc., will be kept off of the road way and drill pad. The operator will initiate procedures to keep the site free from litter and keep them groomed and in a neat and professional condition.

~~Weed control will be coordinated with the M.M.S. Range Conservationist or soil scientist.~~

3. LOCATION OF EXISTING WELLS

See Topographic Map "B"

There are no known water wells, producing wells, abandoned wells, drilling wells, shut in wells, injection wells, monitoring or observation wells for other resources within a one half-mile radius of this location site. The temporarily abandoned well #17-10 is approx. 2300 feet N/E of location.

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

At the present time there are no known LAB ENERGY, INC. Production facilities, tank batteries, oil gathering lines, gas gathering lines, injection lines, or disposal lines within a one-mile radius of this location.

In the event that production is established at this location site, all production will be contained within the area of the proposed location site. It is not known at this time what future production facilities will be required at this well site. In

the event production is established plans will be submitted to the proper authorities in detail stating the proposed containment and transportation of the produced fluids. Any area required for future production facilities will be constructed using bull dozers, graders, and workman crews to construct and place the facilities.

If there are any deviations from the above paragraphs, then all appropriate agencies will be notified prior to construction and all necessary requests and applications will be made.

Rehabilitation of disturbed areas, no longer needed for operations after constructions is completed will meet the requirements of Item #10.

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed within 90 days after completion with the methods described in the rehabilitation section. Stockpiled topsoil will be used in reclaiming the unused areas.

All permanent (on site for six (6) months duration or longer) structures constructed or installed, including the pumpjack, shall be painted a flat, non-reflective, earthtone color to match the standard environmental colors of the Rocky Mountain 5 State Interagency Committee. All facilities shall be painted within six months of the production facilities are put in place. Facilities that are required to comply with O.S.H.A. (Occupational Safety and Health Act) are excluded.

Tank batteries will be placed on the Northeast corner of the location.

~~Vegetation will be placed on the west side of the location.~~

5. LOCATION AND TYPE OF WATER SUPPLY

Water to be used in the drilling of this well, if needed will be hauled by truck over the existing road described in Item #1. The primary drilling medium will be mud and supplemental water will be needed.

The local governmental agencies and any other parties involved will be notified of any deviations and all governing guidelines and regulations will be strictly adhered to.

There will be no water well drilled at this location site.

6. SOURCE OF CONSTRUCTION MATERIALS

All construction material for this location site and access road shall be borrow material accumulated during construction

of the location site and access road. No additional road gravels or pit lining materials from other sources are anticipated at this time, but if they are required, the appropriate actions will be taken to acquire them from private sources.

The native materials that will be used in the construction of this location site and access road will consist of sandy-clay soil and sandstone and gravel material gathered during the actual construction of the road and location.

7. METHOD OF HANDLING WASTE DISPOSAL

See Location Layout Sheet.

A reserve pit will be constructed.

The reserve pit will be approximately 6' deep and at least one-half of this depth shall be below the surface of the existing ground.

One half of the reserve pit will be used as a fresh water storage area during the drilling of this well and the other one half will be used to store non-flammable materials such as cuttings, salts, drilling fluids, chemicals and produced fluids, etc.

The reserve pit will be lined with native clay.

The pits will have wire and overhead flagging installed if deemed necessary to protect the water fowl, wildlife, and domestic animals.

At the onset of drilling, the reserve pit will be fenced on three sides and at the time drilling activities are completed, it will be fenced on the fourth side and allowed to dry completely prior to the time that backfilling and other reclamation activities are attempted.

When the reserve pit dries and reclamation activities commence, the pits will be covered with a minimum of four feet of soil and all requirements in Item #10 will be followed.

All garbage and other waste material will be contained in a trash basket made of small mesh wire and will be taken to the nearest sanitary landfill for disposal upon completion of the well. No burning will be allowed.

A portable chemical toilet will be provided for human waste.

8. ANCILLARY FACILITIES

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. WELL SITE LAYOUT

See attached location layout sheet.

All of the agencies shall be notified before any construction begins on the proposed location site and road.

As mentioned in Item #7, the pits will be unlined unless it is determined by the representatives of the agencies involved that the materials are too porous and would cause contamination to the surrounding area; then the pits will be lined with a gel and any other type of material necessary to make them safe and tight.

When drilling activities commence, all work shall proceed in a neat and orderly sequence.

10. PLANS FOR RESTORATION OF SURFACE

BLM will be notified 48 hrs prior to initial dirt work.

As there is some topsoil on the location site, the top 6 to 10 inches of topsoil shall be stripped and stockpiled. (See location Layout Sheet). When all drilling and production activities have been completed, the location site will be reshaped to th original contour and stockpiled topsoil spread over the disturbed area.

~~The drainage rerouted during construction activities shall be restored to thier original line of flow as near as possible. Fences around pits are to be removed upon completion of drilling activities and all waste being contained in the trash basket shall be hauled to the nearest Sanitary landfill.~~

As mentioned in Item #7, the reserve pit will be completely fenced with a wire mesh fence and topped with at least one strand of barbed wire, and wired with overhead wire and flagging installed. If there is oil in the pits, it will be allowed to dry completely before covering.

Restoration activities shall ^{or when the pit has dried} begin within ~~90~~ ³⁰ days after the completion of the well. Once restoration activities have begun, they shall be completed within 30 days. The operator or his contractor will notify the Salt lake District B.L.M. ~~Rush Valley~~ Resource Area 48 hours prior to beginning any work for restoration purposes.

When restoration activities have been completed, the location site shall be reseeded with a seed mixture recommended by the ~~surface owner~~ when the moisture content of the soil is adequate for germination. Prior to the reseeded the ground will be scarified and left with a rough surface. The lessee further covenants and agrees that all of said clean-up and restoration activities shall be done and performed in a diligent and most workmanlike manner and in strict conformity with

the above mentioned items #7 and #10.

The access road will be blocked to prevent any vehicle use. ~~SPOT area was reseeded to bring it back to a~~
two track if necessary.

11. OTHER INFORMATION

The Topography of the general area (see Topographic Map "B").

The area is in the Basin and Range province two valleys west of the Wasatch Front range. The valley was formed during the tensional block faulting period that began in the Eocene epoch and continues to the present. The valley is bounded on the west by the Stansbury, Onaqui, and Sheeprock mountains and on the east by the Oquirrh and East Tintic mountains. The area is interlaced with numerous small drainages and mounds formed of sandstone, cobblerock, lake deposits and covered with desert pavement.

The majority of the smaller drainages are of a non-perennial nature with normal flow limited to the early spring run-off and heavy thunderstorms or rainstorms of high intensity that last over an extended period of time and are extremely rare in nature as the normal annual precipitation is only 8".

The soils of this semi-arid area re of the Lake Bonneville group and the Harker fanglomerate, (the Fluvial Sandstone and Mudstone) from the Pliocene Epoch and Quaternary Epoch (gravel surfaces) and the visible geologic structure consists of light brownish-gray clays to sandy soils with poor gravels and shales and outcrops of rock (sandstone, mudstone, conglomerate, and shale).

Due to the low precipitation average, climatic conditions and the marginal types of soils, the vegetation that is found in the area is common of the semi-arid regions and consists of areas of sagebrush, rabbitbrush some grasses and cacti, on the upper benches with cottonwoods, birch, willows, and grasses along the lower levels close to the wet areas and streams.

The fauna of the area consists predominantly of the mule deer, coyotes, rabbits and varieties of small ground squirrels and other types of rodents, and various reptiles common to the area. The area is used by man for the primary purpose of grazing domestic livestock.

The birds of the area are raptors, finches, ground sparrows, magpies, crows, and jays.

The Topography of the Immediate Area (See Topographic Map "B")

The Rush Valley Federal #17-14 sits on a low rise which drains to the south. The ground slopes through the location site to the south at a 0 to 1.0% slope.

The immediate area around this location is vegetated by sagebrush and grasses. There are no occupied dwellings or other facilities of this nature in the general area.

It will be determined by a certified archeologist whether there are any archeological findings in the immediate area of this location site.

There are no historical, or cultural sites within any reasonable proximity of the proposed location site.

12. LESSEE'S OR OPERATORS'S REPRESENTATIVE

Warren
Arten L. Jacobs
7107 South 400 West
Suite #10
Midvale, Utah 84047

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge true and correct; and that the work associated with the operation proposed herein will be performed by LAB ENERGY, INC. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

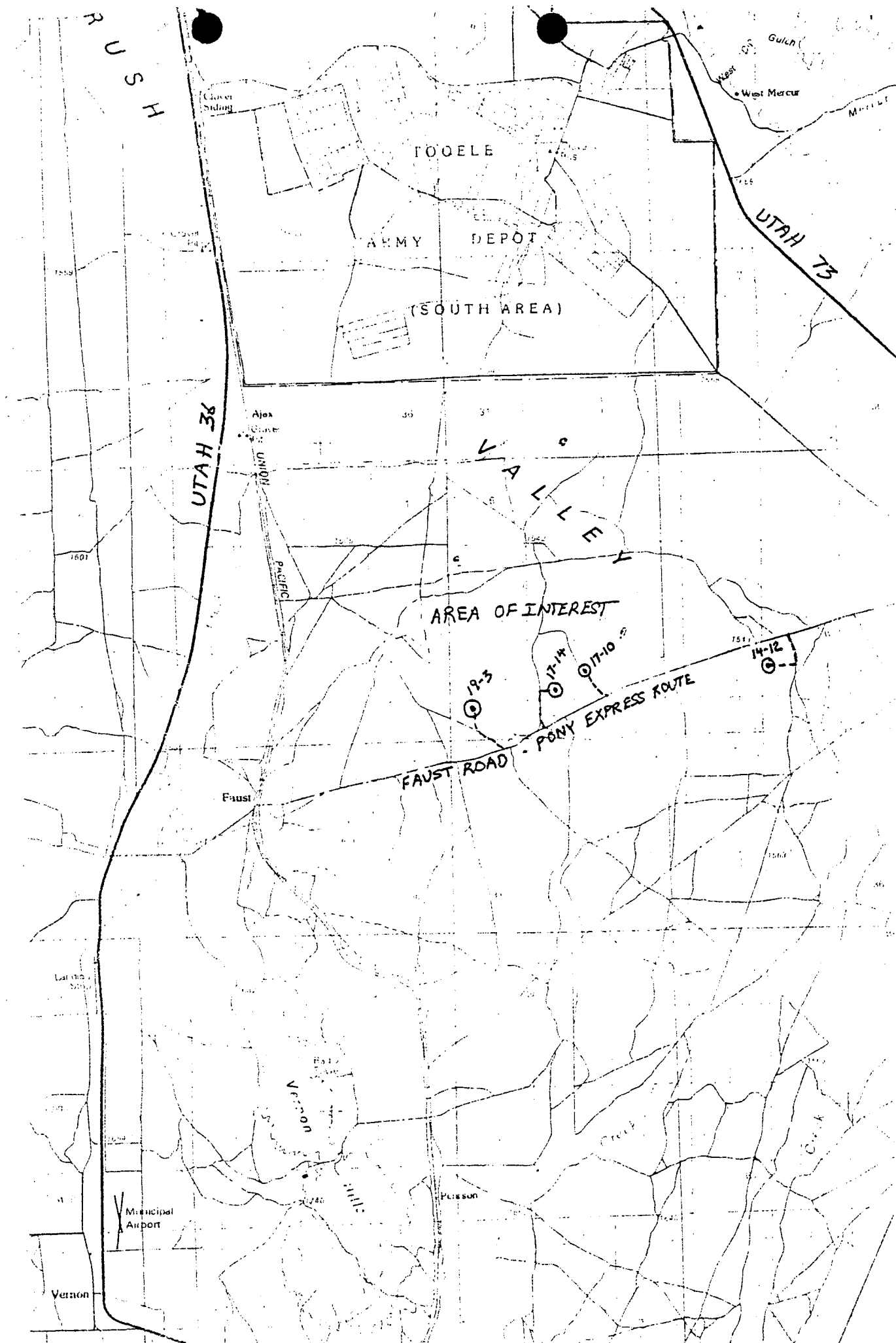
Date 10/18/85

Warren L. Jacobs
Arten L. Jacobs
Warren

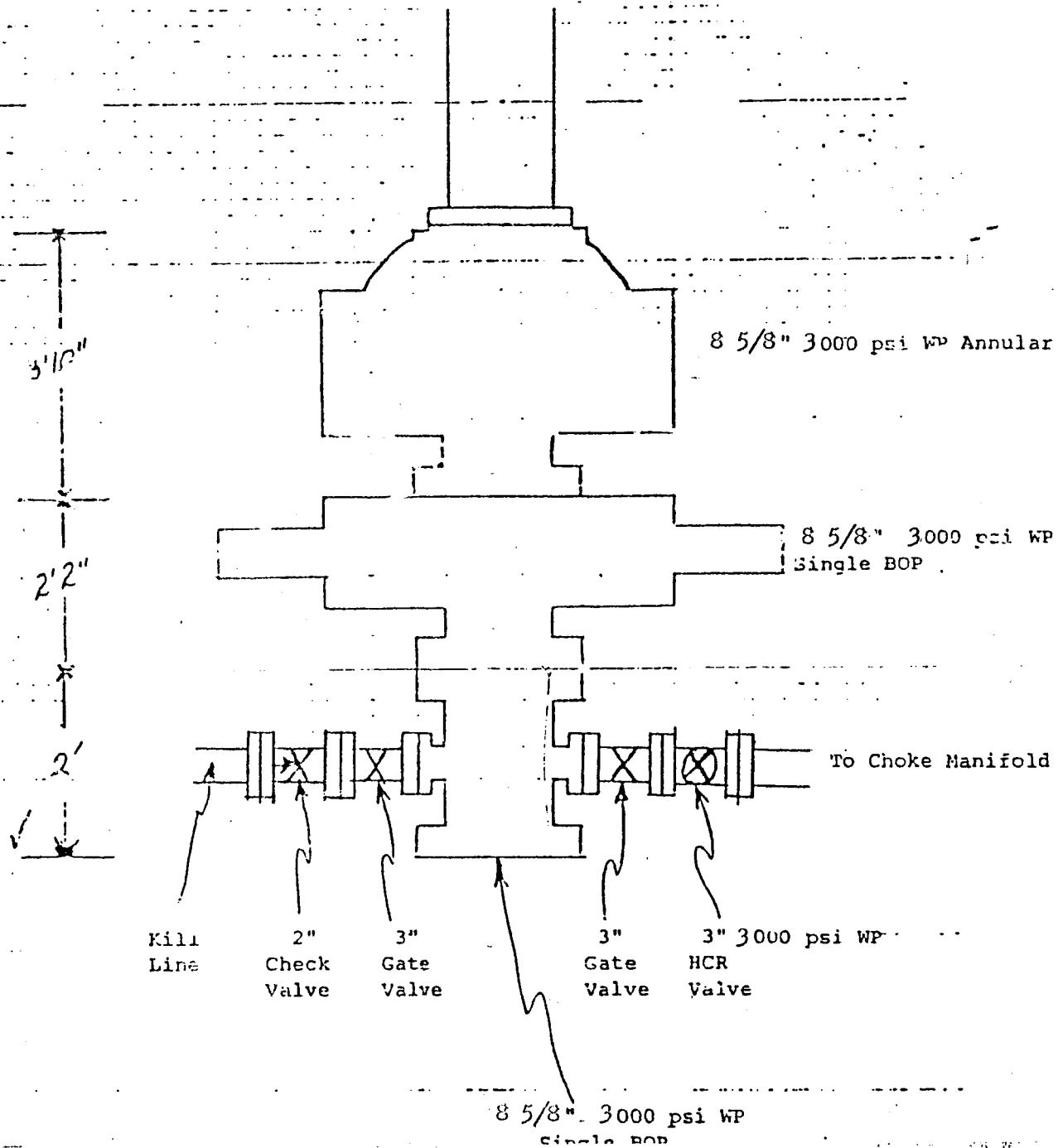
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Supplemental Stipulations of Approval Attached

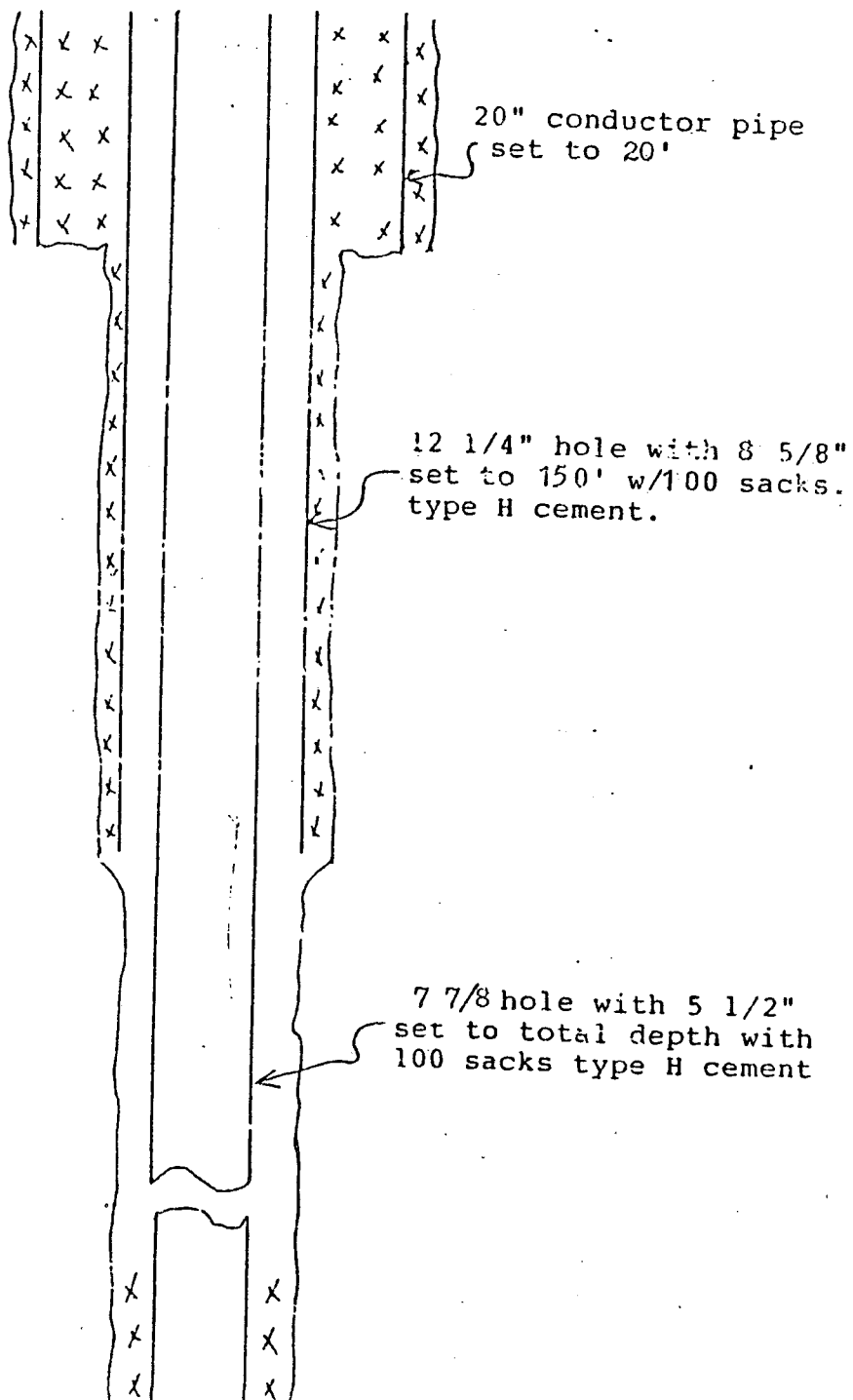
1. A full opening safety (stabbing) valve in the full open position, to fit the drill pipe in use, shall be available on the rig floor to place in the drill pipe if needed when the Kelly is not in the drill string.
2. Kelly cocks will be in drill string at all times.
3. During all phases of operation firearms will be prohibited.



X Drilling, Inc.



SCHEMATIC DIAGRAM
 CASING DETAIL FOR
 SHALLOW WELL SINGLE
 STRING COMPLETION
 RUSH VALLEY, TOOELE
 COUNTY, UTAH



X Drilling, Inc.

400'X400'

LIGHT PLANT

WATER STORAGE
MUD STORAGE

TOP SOIL

FUEL STORAGE

RESERVE PIT

60 X 90

OVERBURDEN

RIG

MUD TANK

TRAILER

PIPE RACK

BURN PIT

TOILET

TRAILERS
PARKING

Fig. 1

SUPPLEMENTAL STIPULATIONS OF APPROVAL FOR NOTICE TO DRILL

Company Lab Energy, Incorporated Well No. 17-14

Location Section 17, T.7S., R.4W. Lease No. U-56555

Onsite Inspection Date October 28, 1985

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

These conditions are additions to the information in the APD and follow that numbering system.

A. Drilling Program

1. No change.
2. No change.
3. All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth and adequately protected. All oil and gas show will be tested to determine commercial potential.
4. Anticipated cement tops will be reported as to depth - not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
5. BOP systems will be equipped with both blind rams and pipe rams to fit the drill pipe in use. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office will be notified 2 days in advance in order to have a BLM representative on location during pressure testing.
6. No chromate additives will be used in the mud system on Federal lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

7. No change.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer (AO).

9. No change.

10. Anticipated starting dates and notifications of operations:

Location construction: December 1, 1985

Spud date: December 5, 1985

Any extension past the December 15, 1985, completion date discussed during the onsite inspection will require notification and approval by the BLM.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. Prior approval and notification are needed before suspended operations are resumed.

The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations," starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed with the BLM, Salt Lake District Office, 2370 South 2300 West, SLC, Utah 84119.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the District Manager, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Manager.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Manager and approval received, for any venting/flaring of gas beyond the initial 30-day or authorized test period.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

A first production conference will be scheduled within 15 days after receipt of the first production notice.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

Thirteen Point Surface Use Plan

1. Existing Roads. No change.

2. Access Roads to be Constructed or Reconstructed. The access road will be upgraded to the minimum necessary to accommodate the heavy equipment and weather conditions. Any gravel needed for the roads will be obtained from an established pit. Maximum width of total disturbed area will not exceed fourteen feet.

A preconstruction meeting involving the BLM, company representative and the dirt contractor(s) must be conducted prior to any construction work. The BLM must be notified 48 hours prior to initial dirt work.

3. No change.

4. The proposed production facility locations have not been approved. In the event of a discovery and a producing well, a separate surface use and operating plan covering any additional facilities will be required and is subject to approval. Another Environmental Assessment will be prepared to evaluate such a proposal.

5. No change.

6. No change.

7. All drilling fluids, muds, and cuttings must be contained on the project site in the reserve pit or in portable containers. All appropriate measures must be taken to assure that leakage through the reserve pit bottom and walls does not occur and that fluids are not allowed to overflow.

The reserve pit must not be used for disposal of garbage, trash or other refuse. The reserve pit will be fenced to keep out livestock and wildlife in accordance with the attached fence diagram (Attachment 1).

Sanitary facilities are required on site at all times during operations. The installation of facilities other than self-contained chemical toilets is subject to State and BLM approval.

All trash, garbage and other refuse must be properly contained on the site during operations and periodically disposed of at an approved refuse facility. Following completion of operations, all unnecessary equipment, materials and refuse must be removed from the site.

8. No change.

9. No change.

12. Lessee's or Operator's Representative and Certification. Lab Energy must designate someone on the project with authority to make changes, to be available at all times during construction. (This person will be the BLM contact during construction.)

13. Other Information - Additional Requirements:

- Fire suppression equipment must be available to all personnel on the project site. Equipment must include a minimum of one hand tool per crew member consisting of shovels, pulaskis, and one properly rated fire extinguisher per vehicle and/or internal combustion engine.
- All gasoline and diesel equipment must be equipped with effective spark arresters and mufflers. In addition, all electrical equipment must be properly insulated to prevent sparks.
- The operator will be held responsible for damage and suppression costs for fires started as a result of their operations. Fires must be reported to the BLM as soon as possible.
- All accidents or mishaps resulting in significant resource damage and/or death or serious personal injury must be reported to the Forest Service as soon as possible.
- Vehicle operators will observe posted or established speed restrictions.
- Section corners or other survey markers, including claim corners, in the project area must be located and flagged for preservation prior to commencement of surface disturbing activities. The removal, displacement or disturbance of markers must be approved in advance by a BLM licensed land surveyor. Replacement of markers disturbed by these activities will also be approved by a licensed land surveyor approved by the BLM.
- Harassment of wildlife and livestock is prohibited.
- All surface disturbing activities must be supervised by a qualified, responsible official or representative of the designated operator who is aware of the terms and conditions of the APD and the specifications in the approved plans.
- The project engineer and surveyors must be certified by the State of Utah.
- Move-in and move-out requires advance approval of the BLM. Move-in and move-out of the drill rig shall not be done on holidays or weekends without advance approval of the BLM.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval from all changes of plans and other operations in accordance with 43 CFR 3164.

10. Topsoil will be selectively removed and stockpiled during the project road and pad construction. Topsoil will be stockpiled separately from other material and protected so it will not become contaminated. After subsoil and rock material have been replaced to the approximate original ground contour during reclamation, the topsoil will be placed over all disturbed areas. The disturbed area must be seeded with the specified seed mix after topsoil is replaced.

The reserve pit must be allowed to dry before it is backfilled and reclaimed. It must be enclosed by a 5-strand barbed wire fence while left to dry.

All disturbed areas should be seeded as soon as practical to establish vegetation for soil protection. Reclamation seeding of the pad area will be done when approved by the BLM. Seeding may be done by either drilling or broadcast method. If the drilling method is used, seed will be drilled to depth not less than 1/16 inch and not more than 1/2 inch. The seed mix is shown in the following table.

Seed Mix for Pad, Project and Access Roads

<u>Species</u>	<u>Common Name</u>	<u>Lbs/Acre</u>	<u>Lowest Acceptable Purity</u>
<u>Eurotia lanata</u>	Winterfat	1	98%
<u>Agropyron smithii</u>	Western wheatgrass	2	98%
<u>Agropyron cristatum</u>	Crested wheatgrass	3	98%
<u>Oryzopsis hymenoides</u>	Indian ricegrass	1	98%
<u>Kochia prostrata</u>	Summer cypress	1/2	98%
<u>Sporobolus cryptandrus</u>	Sand dropseed	1	98%

For this seed mixture, drilling application rate is 8.5 pounds per acre. If broadcast seeding is used, the recommended pounds per acre should be increased by 50%.

After reclamation seeding, a 5-strand barbed wire letdown fence will be constructed around the site to exclude livestock. The fence will be maintained by Lab Energy until vegetation is adequately reestablished on the site.

Reclamation of the abandoned access roads will include obliteration, scarification, waterbaring, and seeding. Adequate barricades will be installed at the ends of the abandoned roads to prohibit motor vehicle travel.

11. No change.

14. This permit will be valid for a period of 1 year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

Onsite inspection held on October 28, 1985 - attendees were:

Warren Jacobs	Lab Energy
Arlon Jacobs	Lab Energy
Mary Beth Martin	BLM
George Campbell	BLM
Leonard Wehking	BLM

Your contact with the BLM District Office is: Mary Beth Martin

Office phone: 524-5348

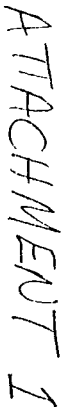
Home phone: 943-6991

City and State: Salt Lake City, Utah

District Manager: Frank W. Snell

Address: 2370 South 2300 West, Salt Lake City, Utah 84119

Office Phone: 524-5348 Home phone: (801) 278-1628





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

SALT LAKE DISTRICT OFFICE
2370 SOUTH 2300 WEST
SALT LAKE CITY, UTAH 84119

IN REPLY
REFER TO:

3150
U-56555
86-APD-1
(U-202)

Decision Record/Rationale
for
Lab Energy, Incorporated
Well Number 17-14

Decision:

The decision is to allow Lab Energy, Inc. to drill an exploratory well for oil or gas in Tooele County, Utah.

The decision incorporates the mitigating requirements outlined in the Application for permit to drill and the supplemental stipulations of approval.

Rationale:

The decision is consistent with current management emphasis on expanding U.S. oil and gas reserves where practicable. Surface disturbing activities will occur with the pad construction and access development. Slope and topography are rolling and flat, which will make the dirt work fairly easy and will enhance a complete rehabilitation. The APD provides stipulations which will minimize the disturbance to the area and ensure that the area is rehabilitated properly.

A. Lowell Decker
Pony Express Resource Area Manager

11/5/85
Date

RECORD OF CATEGORICAL EXCLUSION REVIEW

Prepared by: Mary Beth Martin

Date: 10/25/85

Approved by: A. Lowell Decker

Date: 11/5/85

Name of Applicant/Project:

Action is ☐ Nonsurface Disturbing ☒ Surface Disturbing

1. SUMMARY OF FINDINGS: The proposed action is categorically excluded from EA or EIS preparation under categorical exclusion number(s) 5.3.D.2.d, 516 DM6, Appendix 5. The proposed action has been reviewed against the nine criteria for exception identified in 516 DM 2, Appendix 2. The proposed action would not meet any of the criterion and is, therefore, not an exception to the categorical exclusion(s) above mentioned.

2. DOCUMENTATION:

Criteria for Exception to Categorical Exclusion	Information Source (may include previous NEPA documents, fieldwork other studies and reports, staff expertise, correspondence, explanatory notes, migration, other.)		
	NO	NOT PRESENT	YES

1. Adversely affect public health and safety. ☒ ☐ ☐

2. Adversely affect such unique geographic or ecologically significant/critical characteristics as:

Historic or cultural resources, park lands, recreation lands, refuge land, wilderness areas (or areas under wilderness review), wild or scenic rivers, sole or principal drinking water aquifers, prime farmlands, wetlands, floodplains, areas on the National Register of Natural Landmarks, other (may include VRM I or II areas, critical wildlife habitat, ACECs, etc., at manager's discretion).

3. Have highly controversial environmental effects. ☒ ☐ ☐

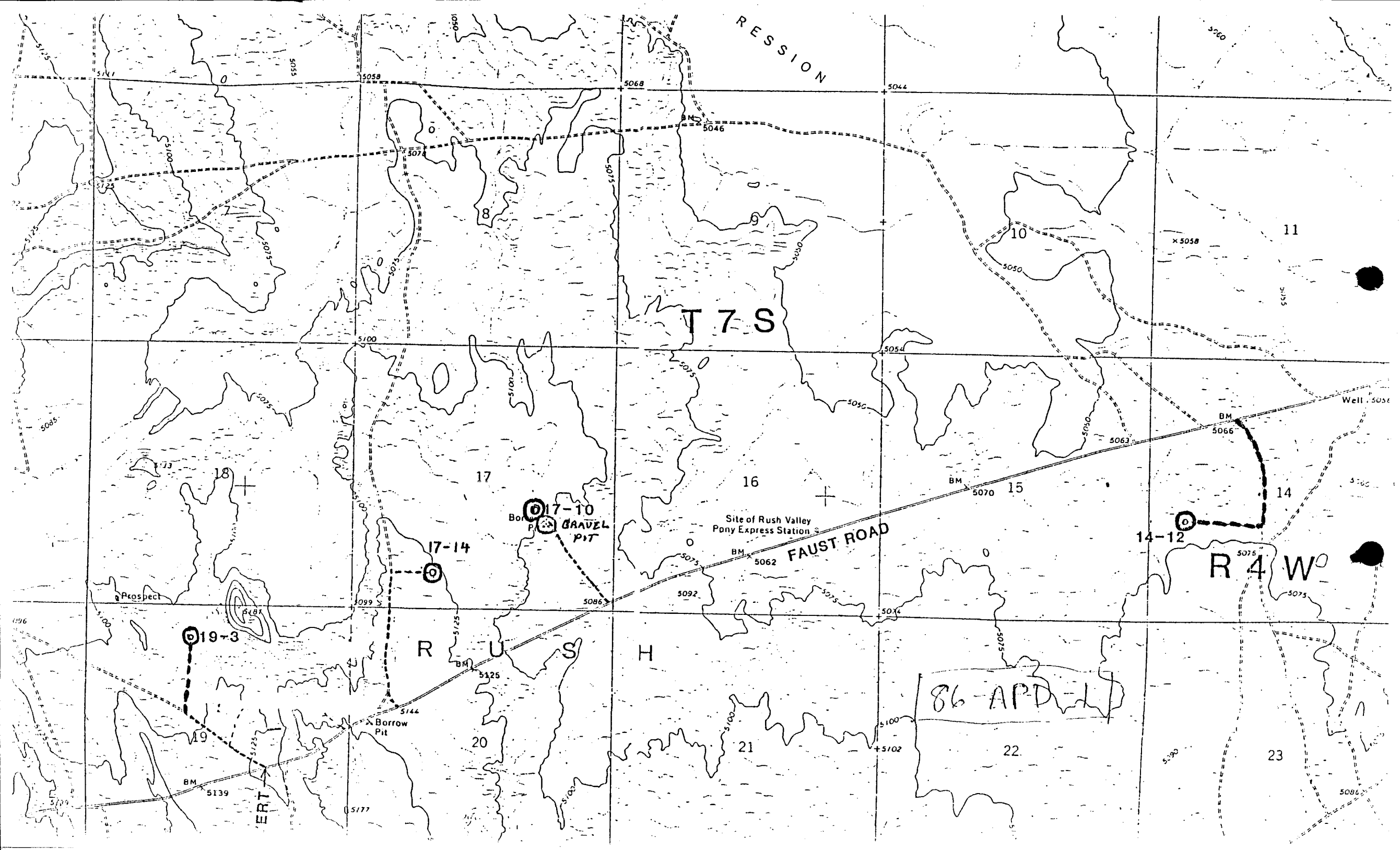
See attached review list

Preliminary Environmental Review Checklist

Resource Values Reviewed	Initial	Date
1. Special stipulation on lease or in special oil and gas category.	NB	10/25
2. Deer winter range or other wildlife concerns.	NB	10/31
3. Threatened or endangered species.	NB PLANTS	10/31 10/25
4. Floodplain restrictions.		
5. WSA or restrictions in the IMP.	N/A	
6. Archaeology values.	Donny OK	10/28
7. High intensity recreation area and VRM class.	N/A	
8. Critical watershed.	NB	10/25
9. Class and season of use of livestock.	Larry *	10/25
10. ROW.	Larry	
11. Range Studies.	Larry NONE	10/25
12. Title plat review.	NB	10/25

RETURN TO Mary Beth BY _____.

* Sheep 11/21 To 2/23



OPERATOR Lab Energy DATE 11-25-85
WELL NAME Lab Energy 17-14
SEC 6ESW 17 T 7S R 4W COUNTY Boole

43-045-30023
API NUMBER

Lab
TYPE OF LEASE

CHECK OFF:

☐ PLAT

☒ BOND

☐ NEAREST WELL

☒ LEASE

☒ FIELD

☒ POTASH OR
OIL SHALE

PROCESSING COMMENTS:

No other well within 1000'

Exception location request needed

Need water permit

APPROVAL LETTER:

SPACING: ☐ A-3 _____ UNIT

☐ C-3-a _____ CAUSE NO. & DATE

☐ C-3-b

☒ C-3-c

STIPULATIONS:

1- Water

2- Exception location



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

November 26, 1985

Lab Energy, Inc.
7107 South 400 West #10
Midvale, Utah 84047

Gentlemen:

Re: Well No. Lab Energy 17-14 - SE SW Sec. 17, T. 7S, R. 4W
747' FSL, 1655' FWL - Tooele County, Utah

Approval to drill the above-referenced oil well is hereby granted in accordance with Rule C-3(c), General Rules and Regulations and Rules of Practice and Procedure, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.
2. Submittal to the Division of information justifying the necessity for an exception location and verification of ownership within a radius of 500 feet of the proposed location.

In addition, the following actions are necessary to fully comply with this approval:

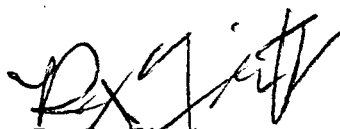
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

Page 2
Lab Energy, Inc.
Well No. Lab Energy 17-14
November 26, 1985

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-045-30023.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. B. Farth', written over a horizontal line.

R. B. Farth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals



120141

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
SALT LAKE DISTRICT OFFICE2370 South 2300 West
Salt Lake City, Utah 84119

Mr. Warren Jacobs
Lab Energy Inc.,
7107 South 400 West
Suite 10
Midvale, Utah 84047

Dear Mr. Jacobs,

Your two applications to drill oil and gas wells 17-14 and 14-12 expired on November 6, 1986. The two approved sundry notices for temporary abandonment of wells 17-10 and 19-3 will expire on November 18, 1986. Your application to drill well 20-4 expired on February 15, 1986.

Oil and gas well 17-10 needs to be plugged and abandoned and the site recontoured, scarified, and reseeded. Please submit your proposed plugging program for our review. Oil and gas well 19-3's site needs to be scarified and reseeded. Site 14-12 needs to have the conductor pipe cut at the surface and a well marker cemented in place. The site must be recontoured, scarified, and reseeded. The reclamation of the access roads will be discussed on a case by case basis to determine the degree of reclamation required.

According to the conditions of approval for the temporary abandonment of wells 19-3 and 17-10, Lab Energy is required to "commence total restoration and reseeded" of these sites. Site 14-12 must be reclaimed as outlined in the approved Application for Permit to Drill (APD) and the supplemental stipulations of approval which were approved November 6, 1985. Reclamation of these sites must be initiated within 30 days of receipt of this notice. Please submit your proposed reclamation schedule.

According to our records, no surface disturbance has occurred at sites 20-4 and 17-14. This office requires a letter confirming that no surface disturbance has occurred on these drill sites.

We will be available to meet with you and your contractor onsite to ensure reclamation is completed to our standards. Feel free to contact me at (801) 524-5348 if you have any questions.

Sincerely,
HOWARD HEDRICK

Howard Hedrick
Pony Express Area Manager

cc: U-922, Branch of Fluid Minerals
U-942, Branch of Land and Mineral Operations
Division of Oil, Gas, and Mining,
State of Utah

IN REPLY REFER TO:

3160
83-APD-3 (U-56554)
85-APD-1 (U-22640)
85-APD-12 (U-52938)
86-APD-1 (U-37742)
86-APD-2 (U-37742)

18 NOV 1986
NOV 21 1986

DIVISION OF
OIL, GAS & MINING

43-045-30023



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

121088

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

December 9, 1986

Lab Energy, Inc.
7107 South, 400 West
Midvale, Utah 84047

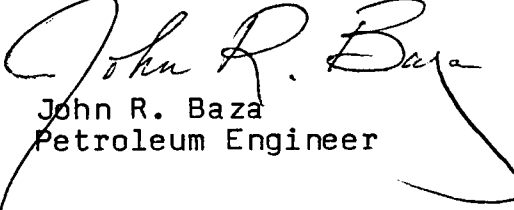
Gentlemen:

RE: Well No. Lab Energy #17-14, Sec.17, T.7S, R.4W,
Tooele County, Utah, API NO. 43-045-30023

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,


John R. Baza
Petroleum Engineer

sb
cc: BLM-Salt Lake
D. R. Nielson
R. J. Firth
Well file
0327T-28